

Proposed Action to January 31 letter of Vandever's Attorney

1. Respond to George Warnock's attorney and ask that Warnock submit a written bonus offer for a mining lease including the annual rental, royalty, term of lease and other stipulations he would offer.

Our request for the above information would be under condition that the Bureau of Indian Affairs is not granting permission to negotiate since that right is reserved to the Bureau of Indian Affairs.

The Bureau of Indian Affairs would refrain from letting Mr. Warnock know whether his tentative offer is adequate or insufficient until it is reviewed and evaluated by the U. S. Geological Survey and Bureau of Indian Affairs. If the offer is considered inadequate, we can advise Mr. Warnock accordingly and proceed with advertising the tract. Perhaps other tracts could be included in the lease offering, and if the offer is considered to be adequate and acceptable by the landowner with advice of Bureau of Indian Affairs and U. S. Geological Survey, perhaps then permission could be given Mr. Warnock to negotiate using his offer as a starting point.

2. Possible adverse affects from above would be:

Word would reach the public and uranium mining interests before the new regulations become effective and we would begin receiving numerous requests for lease negotiations.

The new regulations are to be published in the Federal Register sometimes in 1979 and such regulations are to allow lease negotiations subject to Bureau of Indian Affairs approval.

If the Bureau of Indian Affairs and U. S. Geological Survey's analysis of an offer were to be accepted, we would be subjected to further criticism (dam if you do and dam if you don't).

There is no measuring tool available to the Bureau of Indian Affairs and U. S. Geological Survey to utilize in reaching a decision favoring a negotiated lease or to rely on to support a decision that the negotiated deal is the best available for the allottee. We agree with Mr. Warnock's attorney that we have a strict fiduciary obligation as Mr. Vandever's trustee to secure the maximum return for him from his land. This adverse affect from a negotiated lease would be delayed but will eventually confront us even if a negotiated lease was issued under the new regulations.

In order to quiet or delay Mr. Vandever's attorney's, Mr. Warnock should be requested to submit a written proposal. Verbal discussion of the same in meeting would be out of the question, or a telephone contact with him might give an indication of his offer. It is true that Mr. Warnock was informed in 1975 that Mr. Vandever's allotment would be included in a uranium sale which has yet to be held. An oil and gas lease sale on Alamo Navajo lands, has been requested by the Alamo Navajos and another oil and gas lease sale on allotted lands located in the Eastern

Navajo Agency are also delayed because of other pressing matters and staffing problems. Whichever route the Bureau of Indian Affairs decides to pursue in handling this matter, an environmental analysis is required. I believe that a negotiated lease with Mr. Warnock will provide the quickest answers to leasing the allotment though it would open up a "land rush" for negotiated leases. It would also appear the Bureau of Indian Affairs is being pressured into granting a lease for the sale benefit of Mr. Warnock's greed.

If the Bureau of Indian Affairs is forced to permit the allottee to negotiate or advertise a lease sale, such action may conflict with the lawsuit filed by Friends of the Earth and the New Mexico Navajo Ranchers Association against the U. S. Department of Energy and other government agencies including the Bureau of Indian Affairs.

*T. Lynch*

2-12-79